

ENERGY EFFICIENCY FINANCING APPLICATION

**Loans
4%
Interest
Rate**



GRAY DAVIS, *Governor*

California Energy Commission

**Schools
Hospitals
Local Government
Special Districts
Public Care Institutions**

Financing For Energy Efficiency

Who is Eligible?

- Public or Non-profit Schools and Colleges
- Cities
- Counties
- Public or Non-profit Hospitals
- Special Districts
- Public or Non-profit Public Care Institutions

What Types of Projects are Eligible?

Purchase and install commercially available energy efficiency equipment with proven energy and/or capacity savings, including but not limited to:

- Lighting
- Motors and pumps
- Heating and air conditioning systems
- Automated energy management systems and controls
- Cogeneration equipment
- Light emitting diode traffic signal modules
- Renewable energy systems
- Thermal Energy Storage systems
- Energy audits/feasibility studies

Projects already funded with an existing Energy Commission loan are ineligible. Call to discuss project eligibility.

Project Start Date The Energy Commission must have your application on file before you can start your project. However, only project-related costs that are paid for after the Energy Commission's Efficiency Committee approval may be included in the loan request. The applicant assumes all financial risk should the Committee disapprove the application. If the loan is disapproved for any reason, the Energy Commission is not responsible for reimbursement of any costs.

What Types of Facilities are Eligible? Existing buildings or other energy using facilities. Some new buildings and facilities. Call to discuss eligibility.

How Much is Available? Call for latest funding availability for financing eligible energy efficiency projects. Loans can finance up to 100 percent of the project costs.

When Should I Submit My Application? This solicitation is a continuously open program with no final filing date. Applications for funding will be

accepted on a first come, first served continuous basis, reviewed by a technical review committee, and awarded based on project merit. The Energy Commission reserves the right to close the solicitation period at any time.

Criteria for Loan Approval Energy efficiency projects must be technically and economically feasible. Loans must be repaid from energy savings within 11 years, including principal and interest. This translates to an approximate 8.5-year simple payback.

$$\text{Simple Payback (yrs)} = \frac{\text{Amount of Loan (\$)}}{\text{Anticipated Annual Energy Cost Savings (\$/yr)}}$$

Interest Rates The interest rate is 4.0 percent and it will be fixed for the term of the loan.

Loan Security Requirements For public entities, loans are secured by a promissory note and a loan agreement between the applicant and the Energy Commission.

Nonprofit organizations may be required to secure the loan through sufficient assets, a deed of trust, certificate of deposit, or other means as determined by the Energy Commission.

Repayment Terms The repayment schedule is based on the annual projected energy cost savings from the aggregated project(s), using energy costs and operating schedules at the time of loan approval. In some cases, the loan repayment schedule can be extended up to 11 years.

Applicants will be billed twice a year after the projects are completed.



How Will Funds Be Disbursed? The funds are available on a reimbursement basis. For each reimbursement request, receipts or invoices for expenses incurred must be submitted along with payment verification by your organization. In some cases, purchase orders for equipment or services may be accepted in lieu of actual receipts. The final 10 percent of the funds will be retained until the project is completed. Interest is charged on the unpaid principal computed from the date of each disbursement to the borrower.

The Application

How Do I Apply? Unless otherwise specified in the "Other Information" column, you must submit the following, otherwise your application is incomplete. For incomplete applications, information must be received within a specified time or the application will be returned unprocessed.

Application Package Items	Copies Needed	Other Information
✓ Completed and signed loan application	Original plus one copy	
✓ Completed Summary of Recommended Energy Efficiency Measures in Loan Request Table	One copy	
✓ Feasibility Study*	One copy	Study must describe proposed energy efficiency projects, including calculations and assumptions to support the technical feasibility and energy savings. The study must also contain: a) proposed budget detailing all project costs, and b) proposed schedule for implementation of the projects
✓ Original or certified copy of a signed resolution, motion, order, etc. from your governing board (see sample).	One copy	The resolution need not be submitted with the application, but it must be received by the time of final loan package signatures. The title of the official signing the loan agreement should be the same one named in the resolution, motion, or order.
✓ Additional items for nonprofit organization: 1) Internal Revenue Service (IRS) Letter of Determination and 2) most recent financial statement audit covering a 12-month period.	One copy	Nonprofit organizations should call before applying.

* If you are submitting multiple applications, please put each application package in a separate envelope. If the energy audit/feasibility study is used to justify energy efficiency projects in multiple applications, submit one copy of the audit/study and indicate the application package that contains the audit/study.

<p>Where Do I Submit My Application? Send your application package with the specified copies to:</p> <p>California Energy Commission Grants and Loans Office Attn: ECAA Loan Program 1516 Ninth Street, MS #1 Sacramento, CA 95814-5512</p> 	<p>Who Do I Call?</p>  <p>Call the California Energy Commission at (916) 654-4008 to discuss project and facility eligibility, funding availability, and application requirements.</p>
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Energy Commission staff will review your application and contact you within 15 days. It may be necessary to arrange a site visit to discuss your project and loan request.

Gray Davis

Governor

Mary D. Nichols

Secretary for Resources



California Energy Commission

William J. Keese

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Executive Director

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